

FY06 Policy & Procedure Manual

Director of Finance

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Additional Positions

Compensation Board Policy

The General Assembly did not approve any new positions for offices of Directors of Finance in FY06.

Career Development for Directors of Finance

Compensation Board Policy

Directors of Finance may certify and re-certify participation in the Career Development Program during the February 1 budget request process.

2005 Appropriation Act
Item 69.10

C. The Treasurers' Career Development Program shall be made available by the Compensation Board to appointed officers who hold the combined office of city or county treasurer and commissioner of the revenue subject to the provisions of §15.2-1636-17. The Compensation Board may increase the annual salary following the receipt of the appointed officer's certification that the minimum requirements of the Treasurers Career Development Program have been met, provided that such certifications are submitted by appointed officers as part of their annual budget request to the Compensation Board on February 1 of each year. The amount of the increase shall be subject to appropriations by the General Assembly for this purpose.

The 2000 General Assembly approved funding for the participation of Directors of Finance in the Treasurers Career Development Program. Original certifications and re-certifications are a part of each year's February 1 budget request process, and associated 9.3% salary increases become effective the following July 1 for a full year. The funding provided by the 2000 General Assembly was based upon an anticipated 40% participation rate in FY02. Funding has not been increased beyond that level of participation, and is continued at the same level for FY06. Officers that certify having met the minimum criteria for the career development program by February 1, 2005, are anticipated to receive a 9.3% salary increase effective July 1, 2005 through June 30, 2006.

More information regarding criteria for the Career Development Program for Directors of Finance is located at <http://www.scb.virginia.gov/docs/Treasurerscdp.pdf>.

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Duties

Code of Virginia §15.2-829

The director of finance shall also exercise the powers conferred and perform all the duties imposed by general law upon county treasurers, and shall be subject to the obligations and penalties imposed by general law. All moneys received shall be paid promptly into the hands of the director of finance. All such money shall be promptly deposited to the credit of the county in such banks or trust companies as the board selects.

§15.2-521

The director of finance shall exercise all the powers conferred and perform all the duties imposed by general law upon commissioners of the revenue. The director of finance shall make every general reassessment of real estate in the county. The assessing officer shall collect and maintain data and devise methods and procedures to be followed in each general reassessment that will make uniformity in assessments throughout the county.

Compensation Board Policy

The duties of the Director of Finance are the same as those duties imposed by general law on Treasurers and Commissioners of the Revenue.

The duty of the Director of Finance is receive all local income and personal property taxes and other moneys owed to the Commonwealth and no later than August 1 produce a list of all taxes and revenue that have remained uncollected.

§15.2-619, Code of Virginia, states that the duty of the Director of Finance to conduct the annual assessment of real estate in the county, due January 1, that provides for the:

- Equalization of real estate in the county,
- Corrections of errors in tax assessment records;
- Addition of erroneously omitted properties to the tax rolls; and
- Removal of properties acquired by owners not subject to taxation.

The Director of Finance also conducts every general reassessment of real estate in the county. Both the annual assessment and the general reassessment requires the Director of Finance to collect and keep data, provide maps and charts, and devise uniform methods and procedures for the annual assessment and general reassessment of real estate in the county;

For additional information regarding the duties of Treasurers and Commissioners of the Revenue see the office-specific sections.

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Equipment Funding

Code of Virginia
§15.2-1636.14

E. In the case of each county and city treasurer except a city treasurer who neither collects nor disburses local taxes or revenues the cost of such office furniture, office equipment and office appliances shall be paid in the proportion of two-thirds by the county or city and one-third by the Commonwealth.

Compensation Board Policy

The Compensation Board reimburses the local governing body one-third of the amount it approves, less the fiscal stress factor, for equipment purchases.

Due to budget reductions, no funding is provided in FY06 for equipment purchases.

A FY06 equipment budget request spreadsheet is located on the Compensation Board web site at <http://www.scb.virginia.gov/docs/cafy06equip.pdf>. This list provides amounts requested by Director of Finance in their FY06 budget requests. Some of these requests were approved as early funding in FY05. Amounts that were approved are located in the Board minutes for January through May 2005 on the Compensation Board web site at <http://www.scb.state.va.us/minutes.html>. Amounts approved as early funding in FY05 are not available for expenditure or reimbursement in FY06.

Fringe Benefits

Code of Virginia
§15.2-1636.14

The salaries, expenses, and other allowances of any officers, whether elected or appointed, who hold the combined office of county or city treasurer and commissioner of the revenue shall be paid in the proportion of one-half by the respective counties and cities one-half by the Commonwealth.

Compensation Board Policy

The Compensation Board reimburses local governing bodies for fringe benefits for Directors of Finance and their staff at the same percentage it reimburses approved salary amounts.

The Compensation Board provides reimbursement for fringe benefits based on actual salary amounts reimbursed, generally 50% of the approved amount, at the following rates:

- VRS retirement contributions at the locality's employer share contribution rate, or 3.91%, whichever is less.
- FICA at 7.65% of the taxable portion of the salary for permanent positions and hourly wage employees.

In FY06, contributions for VRS Group Life insurance will not be required, and consequently, will not be reimbursed by the Compensation Board. See the section entitled **Fringe Benefits** in the general section of this manual for more detailed information regarding benefits of Constitutional Officers.

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Local Governing Body Concurrence

Code of Virginia
§15.2-1636.16

The budgets fixed by the Compensation Board may thereafter be amended by the Compensation Board upon the request of the officer or local governing body or when changed circumstances so require. No budget shall be increased if any portion of the increase is payable from local funds without the concurrence of the local governing body.

Compensation Board Policy

The local governing body is required to provide written concurrence with any Director of Finance' request to increase their budget or transfer budgeted funds to equipment expense.

For more information regarding fund transfers see the section entitled **Fund Transfer Request** in the general section of this manual.

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Office Expenses: Paid by Compensation Board

Code of Virginia
§15.2-1636.15

A. Whenever a county or city attorney for the Commonwealth, treasurer or commissioner of the revenue purchases office furniture, office equipment, office appliances, tax tickets for state and local taxes collectible by county and city treasurers, stationery, office supplies, postage, data processing services, printing, advertising, telephone or telegraph service, or repairs to office furniture and equipment in conformity with and within the limits of allowances duly made and contained in then current budget of any such officer, the invoices therefore, after examination as to their correctness, shall be paid by the county or city directly to the vendors, and the Commonwealth shall monthly pay the county or city the state's proportionate part of the cost of such items on submission by such officer to the Compensation Board of duplicate invoices and such other information or evidence as the Compensation Board may deem necessary.

Compensation Board Policy

The Compensation Board reimburses 50% of the budgeted amount for office expenses of Directors of Finance.

Base budgets for office expenses are set at the same level as approved July 1, 2004, as adjusted through any base budget transfer requests through FY05. The Compensation Board will reimburse the following office expenses:

- Internet access costs (line charges, ISP costs or locality service charges);
- Stationary, postage;
- Printing
- Data processing services;
- Telephone service; and
- Repairs to office furniture and equipment.

If you have any questions concerning whether an expense is reimbursable by the Compensation Board please call prior to the expenditure.

For more information regarding office expenses see section entitled **Professional Associations**.

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Code of Virginia §15.2-1636.14

F. If any county or city commissioner of the revenue or treasurer uses any forms, sheets, or books of any kind for the assessment or collection of state or local taxes or levies in lieu of the standard forms, sheets or books furnished by the Commonwealth, no part of the cost of such forms, sheets or books shall be paid by the Commonwealth.

G. The cost of all forms, sheets and books of all kinds used for the assessment or collection of local license and local excise taxes or used in connection with the assessment or collection of local license and local excise taxes, shall be paid entirely out of the local treasury, including the cost of any tags, stamps, stickers, or other devices intended to evidence the payment of any such local license or local excise taxes.

H. The cost of all forms, sheets and books of all kinds used in the ascertainment, billing or collection of charges for utility or other special services rendered by a county or city. The governing body of each county and city shall provide suitable office space for the treasurer and commissioner of the revenue, together with the necessary heat, light, water, and janitorial service.

Office Expenses: Paid by Locality

Compensation Board Policy

The local governing body is responsible for the following office expenses for the Director of Finance.

The locality is responsible for funding the following office expenses:

- Notary Seal, fees or application fee;
- Office space or rent, heat, water, light, and janitorial services;
- Chair mats or calculator maintenance contracts;
- Subscription to periodicals, newspapers, or Code of Virginia;
- Name tags, desk signs, or business cards;
- Tags, stamps, decals, stickers, or other devices intended to evidence the payment of local license or local excise taxes; and
- Custom software.

The locality is responsible for all custom forms, sheets, or books for assessment or collection of state or local taxes or levies in lieu of standard forms, sheets, and books supplied by the Commonwealth. The Compensation Board will not reimburse for forms, sheets and books used in connection with local license and local excise tax assessment or collection neither for the billing or collection of charges for utility or other special services rendered by a county or city:

- Applications or building permits;
- Custom check registers;
- Employee earnings notice;
- Real estate forms;
- Delinquent real estate tax statements;
- Personal property forms;
- Vehicle registration forms; and
- Yard sale or garage sale applications.

Services:

- Audit services; and
- Telephone equipment installation costs.

If you have any questions concerning whether an expense is reimbursable by the Compensation Board please call prior to the expenditure.

For more information regarding office expenses see section entitled **Professional Associations**.

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Professional Associations

Compensation Board Policy

Reimbursement for attendance at non-Compensation Board-sponsored training events, professional associational meetings, or membership dues will not be provided as additional allowances, but are reimbursed through office expense funds available.

The Compensation Board will reimburse for:

- Local Government Officials' Conference (LGOC); and
- Virginia Association of Locally-Elected Constitutional Officers (VALECO).

A \$100 reimbursement is limited to the principal officer only. VALECO dues are reimbursed for the principal officer only.

For more information regarding office expenses see section entitled **Office Expenses**.

Reimbursement Policy Change

Compensation Board Policy

Effective with the Compensation Board's reimbursement payment for the month of July 2005 reimbursement payments will be made to the Treasurer or Director of Finance in the same manner for all Clerks' offices as provided to all other Constitutional Officers.

Code of Virginia §15.2-827

No money shall be drawn from the county treasury, nor shall any obligation for the expenditure of money be incurred, except in pursuance of a legally enacted appropriation resolution, or legally enacted supplement thereto passed by the board. Accounts shall be kept for each item of appropriation made thereto, the amount drawn thereon, the unpaid obligations charged against it, and the unencumbered balance in the appropriation account, properly chargeable, sufficient to meet the obligation entailed by contract, agreement or order.

Some Circuit Court Clerks do not have the Compensation Board reimbursement payments sent the Treasurer or Director of Finance for their locality. Receiving reimbursement in this way insures compliance with §15.2-520, §15.2-827, §15.2-2506, and §15.2-2507, Code of Virginia, regarding appropriations, as well as relieving the Clerk from the burden of accounting for these funds with local government auditor and the Auditor of Public Accounts.

Effective in FY06 (the first reimbursement payment for FY06 is for July and provided in August) the Compensation Board will provide reimbursement payments to all Clerks in the same way. Therefore, Clerks will need to remit the advance funds (sent to your office in July 1992) to the Compensation Board in mid-July, once all salaries and expenses have been paid out for the month of June and have been reimbursed by the Compensation Board. The local governing body must pay the salaries and expenses beginning with the month of July 2005, and then the Compensation Board will send the monthly reimbursements, beginning with the reimbursement for July, directly to the Treasurer or Director of Finance.

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Salary

Code of Virginia §15.2-1636.14

B. The salaries, expenses, other allowance of those who hold the combined office of county or city treasurer or commissioner of the revenue shall be paid in the proportion of one-half by the respective counties and cities one-half by the Commonwealth.

D. In no event shall the amount paid by each city and county as its share of the salary of its respective treasurer or commissioner in any fiscal year exceed the actual dollar amount paid by such city and county for such salaries during the fiscal year ending June 30, 1980.

2005 Appropriation Act
Item 69.10

A.1. The annual salaries of elected or appointed officer who hold the combined office of city (county) treasurer and commissioner of the revenue subject to the provisions of §15.2-1636.17, Code of Virginia, shall be hereinafter prescribed, based on services provided, except as otherwise provided in §15.2-1636.12, Code of Virginia.

2. Whenever any officer whether elected or appointed who holds that combined office of city treasurer and commissioner of the revenue, is such for two or more cities or for a county and city together, the aggregate population of such political subdivisions shall be the population for the purpose of arriving at the salary of such officer under the provisions of this Item.

Compensation Board Policy

The locality share is 50% of the FY1980 salary for Directors of Finance. The Commonwealth's share of the salary of the Director of Finance is 50% of the 1980 salary plus 100% of all salary increases thereafter.

The Compensation Board uses an aggregate population estimate to determine the salary of the Director of Finance who serves two or more localities.

The annual salaries of Directors of Finance are determined according to population estimates of the city or county in which they serve. Funding for salaries in the first half of FY06 will remain at current levels and at increased levels for the second half of the fiscal year. No funding is provided for performance-based pay increases for offices with performance evaluation plans in effect in their office.

In FY06, Directors of Finance and their Compensation Board-funded permanent employees will receive a 4.40% salary increase, effective December 1, 2005. The following are the population-based salaries for Directors of Finance for FY06.

<i>Population</i>	<i>December 1, 2004 to November 30, 2005</i>	<i>December 1, 2005 to June 30, 2006</i>
Less than 10,000	\$51,670	\$53,943
10,000 to 19,999	\$57,413	\$59,939
20,000 to 39,999	\$63,792	\$66,599
40,000 to 69,999	\$70,878	\$73,997
70,000 to 99,999	\$78,755	\$82,220
100,000 to 174,999	\$87,504	\$91,354
175,000 to 249,999	\$92,111	\$96,164
250,000 or more	\$104,671	\$109,277

The Compensation Board uses an aggregate population estimate to determine the salary of the Directors of Finance who serves two or more localities.

Salary scales for Compensation Board-funded employees in Directors of Finance offices for July 1 to November 30, 2005, are located at http://www.scb.state.va.us/docs/Salary_Scales/fy05_dof_scale.pdf.

A history of salary increases approved by the General Assembly is located at http://www.scb.state.va.us/docs/salary_history.pdf.

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Staffing Standards

2005 Appropriation Act
Item 63

F. Any new positions established in Item 63 of this act shall be allocated by the Compensation Board upon request of the constitutional officers in accordance with staffing standards and ranking methodologies approved by the Compensation Board to fulfill the requirements of any court order occurring from proceedings under §15.2-1636.8, Code of Virginia, in accordance with the provisions of Item 64 of this act.

Compensation Board Policy

The Compensation Board has established staffing standards and staffing methodology for allocating new positions in offices of the Director of Finance.

The Compensation Board considers the following criteria when considering new positions in the offices of the Director of Finance:

1. The position(s) must be requested by the Director of Finance as part of the Compensation Board's annual budget request process.
2. The position(s) requested must perform only statutorily prescribed duties of the Director of Finance.
3. The office of the Director of Finance must be connected to the city/county system or have such systems scheduled for installation within the next 12 months.
4. Funds and position(s) must be appropriated by the General Assembly.
5. The Compensation Board will use the staffing methodology and weighted three-year average workload criteria, developed by the Workload Study Committees of Treasurers and Commissioners of the Revenue for their respective offices to determine the appropriate level of Compensation Board-funded staff support for each office requesting additional positions.
6. The Compensation Board will determine the number of additional position(s) allocated to any one office based upon criteria 1-5, inclusive, and additional position(s) will be allocated in the order of percentage of need. Offices with the highest percentage of need will receive positions first. The percentage of need is determined by calculating the percentage that the number of additional positions needed is of the total number of current positions.
7. Because the current staffing of offices of the Director of Finance include hourly-wage staff expressed as Full-Time Equivalent (FTE) positions, any office receiving a new position(s) will not have its hourly-wage funds reduced to the equivalent of the salary of a new position(s).

Staffing standards for Directors of Finance are located on the Compensation Board web site at <http://www.scb.state.va.us/docs/fy06staffstd734dof.pdf>.

The methodology used to determine appropriate staffing levels in each office of the Director of Finance is based on a combination of methodologies developed by the Workload Study Committees for Treasurers and Commissioners of the Revenue and adopted by the Compensation Board. The methodologies for Treasurers and Commissioners of Revenue both consider current Compensation Board funded positions and hourly wage funded employees as FTE positions, as follows:

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Staffing Standards, continued

Using the hourly wage funded amount and dividing by the step one salary of a deputy I position, the number of part-time FTE positions is ascertained. This added to the Compensation Board approved full-time employees for the total personnel.

The workload information gathered from the both the Treasurers and Commissioners of the Revenue is reported by Directors of Finance, and three-year weighted averages of workload are calculated for each set of information. A staffing need based on each separate set of information is determined, and then the two figures are added to get a total staffing need.

The workload was weighted to take into account the difficulty or ease of performing the duties. The transactions for each of the categories were totaled and averaged. Then the percentage was calculated, with 100% as the total number of reported transaction in all categories. Similarly, the amount of time spent by the offices on each function was totaled and averaged, and a percentage of total time was then calculated for each category.

The percentage of transactions for each category was divided by the percentage of time for that category. This resulted in the weighted factor used in the analysis of workload. This weighted factor approach give more weight to those transactions which are more time-intensive and less weight to those which require less time to complete.

The Treasurers' duties which were deemed to be local, such as vehicle decal issuance and those in the "other duties" category were removed from the total weighted transactions used in performing the statistical analysis.

Linear regression was used to assess the relationship between workload and current Compensation Board approved FTE positions. Regression analysis is a statistical technique used to explain the relationship between factors, such as workload and current Compensation Board approved FTE positions. After determining the number of Compensation Board employees and the total number of hours worked each year per locality for both Treasurers and Commissioner of the Revenue duties, the regression analyses were performed to determine formulas for lines of best fit and models were created.

Work elements and weighted factors and the resulting formula for Treasurers are as follows:

<i>Workload Areas for Treasurers</i>	<i>Weighted Factor</i>
Real Estate Tax	1.55
Personal Property Tax	1.08
Collections	.99
Vehicle License/Decal	.79
State Income Tax	3.08

$.000036 * (\text{Total weighted transactions})$	+	1.92 staff positions	=	Treasurer's staff needed
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Staffing Standards, continued

Work elements and weighted factors and the resulting formula for Commissioners of the Revenue are as follows:

<i>Workload Elements</i>	<i>Weighted Factor</i>
Parcels	.08
Transfers	.50
Reassessments	1.25
Personal Property	.17
M & T / Business	.33
Mobile Homes	.33
Tax Relief	.50
Business License / MC	.50
Land Use	.50
Business Excise Tax	4.00
State Tax Returns	.33
Estimated Taxes	.17
Adjustments	.17
Cemetery Trust Accounts	8.00
Bank Franchise Tax Accounts	1.00
Public Service Corporation Accounts	2.00
Coal / Gas / Oil Severance & Mineral Tax Accts	2.00
Issuance of "No Fee" Decal	.17
Other Activities	.00

$.0002927^* \text{ (Total Weighted Hours Worked)} + 1.7864 = \text{Commissioner's staff needed}$
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These formulas were used to determine the employees predicted to be needed to perform the work in any given locality based on the combined data trend of all other offices, and then total employees determined from each calculation were added together. Because each formula contains a base number of employees needed when weighted transactions are zero which included the Constitutional Officer, the total number of employees needed is reduced by one in consideration of the fact that only one officer will be present in each office, where the combined base staff levels result in inclusion of two officers.

Temporary (Hourly-Wage) Employees

Compensation Board Policy

The Compensation Board reimburses 50% of the budgeted amount for salaries for temporary (hourly wage) employees of Directors of Finance.

Base budgets for temporary (hourly wage) employee salaries are set at the same level as approved July 1, 2004, as adjusted through any base budget transfer requests during FY05.